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SERVICE DATE – LATE RELEASE JUNE 29, 2018

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36199

OREGON INTERNATIONAL PORT OF COOS BAY AND COOS BAY RAIL LINE, INC.—
INTRA-CORPORATE FAMILY TRANSACTION EXEMPTION

Decided: June 29, 2018

On May 31, 2018, Oregon International Port of Coos Bay (the Port) and Coos Bay Rail Line, Inc. (Coos Rail) (collectively, the Applicants), jointly filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(3) for an intra-corporate family transaction. According to the Applicants, the purpose of the transaction is to facilitate a transition in railroad operations over a Port-owned rail line from the current operator, Coos Bay Railroad Operating Company, LLC d/b/a Coos Bay Rail Link (CBRL), to Coos Rail, a newly created subsidiary of the Port. The Applicants state that the rail line in question is comprised of roughly 133 route miles, extending from milepost 652.114 at Danebo, Or., to milepost 763.13 at Cordes, Or., and from milepost 761.13 at Cordes to milepost 785.5 at Coquille, Or. (collectively, the Line). According to the Applicants, CBRL's parent company has advised the Port that it no longer wishes to operate the Line. Notice of the exemption was served and published in the Federal Register on June 15, 2018 (83 Fed. Reg. 28,064). The exemption is scheduled to become effective on June 30, 2018.

On June 19, 2018, CBRL filed a petition to reject the Applicants' verified notice and a request for stay of the effective date. CBRL states that it wishes to remain as the operator of the Line and argues that the Board should reject the verified notice on the grounds that the transaction is controversial and that the verified notice contains materially false and misleading information. CBRL also requests that the Board stay the effective date of the verified notice pending the outcome of arbitration of the contract dispute between CBRL and the Port. On June 26, 2018, Applicants filed in opposition to CBRL's petition to reject and request for stay. The parties generally disagree over the circumstances described in the verified notice of exemption, as well as what impact their contractual dispute has on the Board's class exemption procedures in this case.

To provide sufficient time for the Board to fully consider the arguments presented, the effective date of the exemption will be postponed until further order of the Board.

It is ordered:

1. The effective date of the exemption is postponed until further order of the Board.
2. This decision is effective on its date of service.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.